Section 1: HOW TO IDENTIFY A THORNET CLIENT

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1. INTRODUCTION

How do you identify a possible Thornet client?

Like any other professional service, it is a matter of identifying a need, and meeting that need. This section cannot identify all possible types of needs, but instead, illustrates some examples. Each and every situation will be different. The following should be used to "open your mind" to other opportunities which may exist out there.

The areas which you identify in a general manner here and which you will clarify more specifically in the needs analysis later are important in that they will form the basis for your proposal to a client concerning Thornet, whether it be formal or informal. It therefore follows that the more effort and thought you put into identifying the needs, whether with the needs analysis or not, the easier the proposal will be and the more likely the client will accept the Thornet solution.

This section has been structured according to the following most commonly identified needs for communications:

Part 1: a need for electronic communications (messaging)
Part 2: a need for public databases information
Part 3: a need for easy access to professional help
Part 4: a need for a privately owned section of a network

2. THE CHANNEL CONCEPT

Business is coming to appreciate the impact that telecommunications can have on their success. Daily, we are bombarded with telemarketing, electronic mail, Fax, 1-800 numbers, and numerous other methods by which a business attempts to link its customers to itself.

The key factor in these services is the **"Channel Concept"**. In a nutshell, the concept is "...to create exclusive computer communications with customers for order entry and exchange of product and service data to lock them in and help thwart competition."

In other words, make it so easy for your customer to communicate with you, in all aspects of business, that they feel would find it difficult to go elsewhere.

With Thornet, this is the **KEY IDEA** upon which we can sell. Given the ever increasing business complexity, and growing competition, we can, with Thornet, help them meet a real need.

Consider a few examples, actual Thornet clientele, and how they are using the channel concept :

- Olivetti Canada, who are hooking up not only their branches across the country, but will be hooking up their dealer base. The application will allow the dealer to easily, effortlessly, order product, parts, supplies, make technical enquiries, communicate with the sales, credit or accounting representatives, or anyone else at the company. Suddenly, a small dealer in a remote location can obtain service from Olivetti that he cannot get even close to elsewhere. Consequently, Olivetti can expect both a healthy sales increase, as well as increased dealer satisfaction. And they can expect higher loyalty from their dealer base.

  Then, discussions exist whereby dealers could hook up their customers in order to provide the high level of service and contact required. The possibilities are endless!

- K & W Optical, a manufacturer of eyeglasses, who are in a project, whereby Thorne Ernst & Whinney are delivering an entire turnkey package for the optometrist : including G/L, payables, receivables, patient history and patient tracking. Thornet fits in magnificently with this application : the optometrist will be able to sit at the same micro, and not only enter orders for product, but will be able to enquire as to the exact status of a previous eyeglass frame and lens! Suddenly, he is in direct contact with the factory floor, and can offer his patient a precise statement of the delivery date!

  The convenience this provides, which is already being enthusiastically received, will help ensure that K & W's optometrist customer base will remain loyal, and increase the percentage bought from K & W vs. competing firms.

Not only does the channel concept apply to distributors of product : it can also allow previously unrelated groups to provide a new service, not previously attainable! Thornet can provide them with a certain synergy!

- Thornet users include a diverse group of energy consultants, located across Canada. Using the power of Thornet, they perceived that they could suddenly offer themselves as a combined group of professionals on a consulting project. Now, using Thornet Messaging, they have been able to work on the project together, regardless of the fact they are spread over several thousand miles. They are now finding that by pooling their resources, they have established themselves as a true, diverse consulting group, with the ability to obtain projects they were unable to do as individuals before.

Airlines and telephone companies have been using the Channel System for years. Sometimes, they use it on each other.

- Consider Canadian Pacific placing in the executive office of a major telephone company a reservation/ticketing terminal. Suddenly, instead of CP having only 20% of the business, they have 80%. Because of the ease of ordering tickets.

When considering Thornet for a client, or introducing the client to Thornet, always keep in mind the Channel concept : **make it easy for customers to deal with you, and their dealings with you will increase.**

3. NEED FOR ELECTRONIC MAIL (MESSAGING)

The need for electronic mail has been identified by the premiere Canadian research company, Evans Research Limited, as one of the most pressing needs identified by companies for the years 1986 and 1987.

In experiences with Thornet to date, messaging has often been the key requirement to many client situations. There are several aspects of Messaging of which only one may be important to any particular client situation but if it answers a real need that may be all that is necessary.

It was because of this key concentration on messaging that we undertook to have developed the Thornet Connection Message Management system.

The following features of messaging are the most notable:

- Ease of use, with the Thornet Message Management system
- Worldwide capability
- Envoypost
- Envoycourier
- Telex capability
- Mailing lists
- Bulletin boards
- Thornet Connection

If you have difficulties imagining how messaging could affect a client situation and need some examples think of how messaging has impacted on Thorne Ernst & Whinney: using the TEW.COORDINATORS list for the Monday Memo, the TEW.TAX.LIST for dissemination of tax information to those most interested, the TEW.123.USERS list to form a users group. How the Help Line, TEW.HELP, is accessible, the international perspective that we have on messaging.

Examine all of these factors, let your imagination wander and you will probably find many applications that could suit the client perfectly!

The significant aspect about Thornet, as opposed to other electronic mail services, is that few other services provide the microcomputer software that automates the mail collection and sending process : Thornet is in the forefront of electronic mail technology as a result of the Message Management System.

Examples:

Ask yourself some questions about the communications within the organization. Who talks with whom, how does the reporting occur, what kind of information is being transferred etc? The following examples will identify some of these options at the same time as giving you an idea on what arguments you can use with your clients and how you may start to construct your client proposal.

Example 1: MESSAGING FOR MANAGEMENT

This example places a strong emphasis on management's use of messaging to increase and enhance their productivity, through the ability for wide ranging, rapid communications. This will apply very well in an organization where the management travels frequently and has operations in several areas.

With the advent of public electronic communications, XYZ Company has an opportunity to organize its operations for the future in such a way as to minimize communications costs and give management the ability to cut across geographical boundaries. This will promote efficient operations which will in itself lead to the reduction of costs within the organization.

Communications Among the Management Group

Senior management of the XYZ Company are frequently travelling. This makes it difficult for them to keep in close contact with the daily operations of the company and to provide the ongoing support which is required of his management team. By having a communications system such as Thornet in place a manager could be in continual, easy contact with all company locations whether travelling in Canada or the U.S.

Actions required as a result of the business trip can be requested on a day to day basis. Instructions, progress reports and information could be fed back to the office as required. Information required would not hold up operations until the return of the travelling individual. Decisions would not have to wait until the decision maker returns. Thus when the manager returns from travelling the operations have not slowed because decisions were not made, the amount of work on the decision maker's agenda upon return is not as great since they were being dealt with continuously. A further benefit from this, will be the reduction in lost management time while travelling.

Example 2: BRANCH TO BRANCH COMMUNICATIONS

This example indicates the Thornet potential for branch to branch communications. This could be dissemination of information in a company such as Olivetti sending out new price lists to all the branch offices or the other way around with all branch offices reporting back to the head office.

Branch to Branch communications

Senior management of the XYZ Company is located in fifteen separate geographic locations. Communications from head office to this management group currently occurs through the use of Telex, mail and courier, with a large emphasis on telephone communications.

The costs associated with this method of communication are evident in the high cash costs associated with courier, telephone and Telex machines, and perhaps more significantly in the delays incurred with key information not being distributed quickly enough. In today's quickly changing business environment, distribution of critical information is the key to success.

Use of Thornet as a communications tool can help ensure that information is delivered as fast and economically as possible. With Thornet, your company has the ability to instantly send information to this management group. Requests for information can be made, with results expected in hours instead of days. Mailing lists can be created on Thornet to further assist in the simplification and increased speed of communications.

Example 3: COMMUNICATIONS TO THE SALES FORCE

Outlines the use of Thornet as a key vehicle for communicating with the lifeblood of the company: the sales force.

Communications with the sales force

- The company has a sizeable sales force spread across the country. Current communications include a mixture of mail, courier, telex, and telephone calls.

- There are several types of communications which we see take place between the sales force and the administration of the organization. Account enquiries, stock information, order processing and product information to name but a few.

- As new products, sales promotions, and other pertinent information for the sales force becomes available it must be in their hands on a timely basis.

- Thornet messaging provides bulletin boards and "mailing lists" which make distribution of information easy, fast and efficient. Using Thornet will make the sales force better informed and enable them to react more readily to the questions and requirements of the customer.

Example 4: A CLIENT USES COURIER SERVICES EXTENSIVELY

If the client you are looking at makes extensive use of a courier service for the transfer of information which could be done via Thornet you have a good opportunity of saving him money. Make sure that he is not sending equipment or any other item which could not be transmitted via Thornet before diving in! **(It's a bit early for Spock!)**

Identify the fact that Thornet can overcome some of the costs associated with current communication methods. Also emphasize the KEY point that a significant amount of time is spent preparing items for courier shipment, especially if the same information is sent to several locations.

Significant use of courier systems :

Our discussions with the company subsequent to our demonstration of Thornet focused on the costs incurred by the company in the distribution of information within the company. It is our understanding that the company places a heavy reliance on couriers in order to distribute information from the central offices to the local offices and branches.

While this information can be distributed in as little as one day, there is an additional cost associated with the preparation of the distribution of information to these locations. The investment in time to prepare, package, and document the necessary material for each courier shipment can be extensive, especially considering the company could use the resources of the individual involved in other, more critical areas.

Thornet can greatly assist in increasing the efficiency of distribution of information. Messages to all company locations can be prepared on a microcomputer at one location and sent to all other locations via Thornet. The high costs associated with the distribution of paper can be significantly reduced.

Example 5: SPECIFIC COURIER EXAMPLE

The following example focuses specifically on cost of courier distribution versus distribution by Thornet. Using real numbers should always be double checked and defendable but are usually very convincing!

Courier distribution is becoming excessive for the company :

It is our understanding that the head office daily sends a document outlining the current price lists via courier to each branch office. A review indicated that the approximate daily cost for this shipment approached $55.00. The same information could be sent by mailing list via Thornet for as little as $12.00 per day, a saving of over $10,000 per annum. This is one example of how Thornet can assist with significant cost reduction for the company.

Example 6: DISTRIBUTION OF COMPUTER INFORMATION

Assumes that a great deal of information is already prepared using microcomputers, but that this information is not efficiently distributed within the organization, eg. diskettes are mailed from location to location.

Distribution of information prepared on microcomputers :

XYZ Company has made a significant investment in microcomputer technology. Budget and cost information are prepared and analysed using Lotus 1-2-3, some documentation is prepared using micro word processors, and a number of databases are maintained using micro database packages.

The diskettes containing budget information prepared with Lotus 1-2-3 are sent monthly to the central financial office for the preparation of integrated reports. A one to three day delay in the preparation of key month end reports is usual.

Using the facilities of Thornet and Thornet Connection, the actual Lotus 1-2-3 budget template could be transmitted from a branch to the controller in minutes. This would enable much faster preparation of the month end reports at greatly reduced cost.

This same process can also apply to word processing and database files.

Alternatively,

Year end information can be brought together more quickly.

XYZ Company has made a significant investment in it's year end routine for preparing the financial statements. Thornet can assist in this by enabling faster communication of financial results from divisions to the central office.

XYZ Company currently uses microcomputer based word processing in a few locations. Thornet can be used to transmit the microcomputer file of the document from one location to another where it could be edited and printed in final form.

Example 7: TELEX - INTERNAL COMMUNICATIONS

This assumes Telex machines existing within the company are used solely for branch to branch communications. It assumes that there are few incoming telexes from outside companies.

Significant resources are dedicated to the Telex system

XYZ Company communicates with each branch office and sales office through the use of Telex. It is our understanding that there is little external communication by Telex.

Thornet can offer instant, significant savings with respect to this branch to branch communication. The cost to transmit a one page message via Thornet can be as low as $0.30. On the Telex system, the same message costs close to $1.50 to transmit.

Similarly, the monthly rental charges associated with the Telex machines and dedicated telephone lines can be devoted to the implementation of personal computers in the organization. This would also provide the additional capabilities associated with microcomputers such as wordprocessing, spreadsheets and databases.

Example 8: TELEX - EXTERNAL COMMUNICATIONS

Assumes the client maintains a Telex machine both for internal and external communications. There is a significant amount of incoming Telex traffic from outside companies.

In this case, Telex can be mentioned. However, it should be noted that Thornet is not yet an adequate replacement to the Telex network.

The company relies extensively on Telex

Our review of the communication methods used by XYZ Company indicated a number of Telex machines. These are used primarily for communications with outside suppliers and customers.

Thornet at this time cannot serve as a total replacement to the Telex network, but can assist in a reduction of the costs associated with the Telex machine in the following ways:

Branch to branch communications can be done through Thornet messaging at a cost substantially lower than through Telex.

Telexes can be sent from Thornet to any Telex machine in the world. Telexes sent to Europe and the US via Thornet are less expensive than regular Telex. Incoming messages can be received via the telex machine but responses can be sent via Thornet thus reducing the monthly telex charges. The extended capabilities of the Thornet Connection program that allow the user to prepare and edit a message prior to sending it will result in greater efficiency in such communications.

Example 9: INVESTING IN A TELEX

Assumes the company has recently investigated the need for a Telex machine.

An investment in Telex technology is not required

It is our understanding that the Company has recently begun exploring the need for a Telex machine in order to communicate with several companies located in Britain.

Thornet can be used to send a message to any Telex number in the world at a lower per message cost than the actual Telex network. If Thornet is used on an existing microcomputer, the additional cost in renting a Telex terminal is no longer necessary.

Thornet can also be used to receive Telex messages. As part of our implementation process, we can assist with the procedures required for these British companies to communicate with your Thornet mailbox.

Example 10: A COMMITMENT TO MICRO TECHNOLOGY

In your conversations with the client you may get the feeling that the client has an investment in micros and wishes to expand on this investment.

XYZ Company has a commitment to information technology

XYZ Company has indicated a strong desire to be a leader in its field in the use of microcomputer technology. The company has invested a significant amount of time in information technology, as evidenced by the widespread use of Lotus 1-2-3, Multimate and dBase within the organization.

However, we believe that the company could maximize its use of the technology even further through the use of Thornet. For example, we suggest that Thornet messaging be used to keep microcomputer users aware, on a timely basis, about new microcomputer developments within the company. As well, the company could even begin to explore the possibility of product development using a vehicle such as Thornet. Thornet messaging would permit a dedicated Lotus user in Kamloops to assist and work on a Lotus template being developed in Toronto.

4. A NEED FOR PUBLIC DATABASES INFORMATION

It is not expected that database searches will be a priority of many companies. However, based upon your analysis of the company you should be able to identify a number of areas where the databases within Thornet will be of use.

To include database access within the Thornet proposal on more than an informal basis you really have to spend some time identifying exactly how the client can benefit from it.

The Thornet Needs Analysis Guide includes the points that you can consider in determining whether this aspect is useful.

Example 1: INFOGLOBE AND DOW JONES

XYZ Company would benefit from the ability to monitor its competitors.

Based upon our review of the company's needs and based upon discussion with the executives of the company, we see a number of areas where Thornet could be used in order to assist with the retrieval of key information for the company.

The company can use the Infoglobe and Dow Jones databases available on Thornet in order to obtain the following:

- Information on key competitors.
- News releases and items concerning XYZ Company.
- General information concerning the industry.
- Marketing information pertaining to the company.
- Research on corporations the company currently does or intends to do business with.

We can assist you in this respect, by providing a number of easy to use routines for the daily retrieval of such key information. You can obtain all the news stories for the current day on the industry, or search a historical database of information to examine trends.

The Thorne Ernst & Whinney Business Information Database, a key service of Thornet, helps to make the job easy! We have designed it with you, the executive, in mind.

Example 2: OFFICIAL AIRLINES GUIDE

XYZ Company can reduce travel costs.

The company can use the Official Airlines Guide, a service of Thomas Cook Travel, the largest travel agency in the world to assist companies in meeting the corporate policy of trimming travel costs. The Airlines Guide contains pricing, scheduling and booking information for 150 airlines world wide.

The Airline Guide can assist travelling executives in planning the most time and cost efficient route.

Example 3: STOCK PRICING

Thornet provides access to stock market information

XYZ Company is involved in active trading on several North American markets. In our discussions with the company, we noted a desire to be able to accumulate price information for trend analysis.

The Marketscan, Vancouver Stockwatch, and Dow Jones databases on Thornet can be used to obtain this information as soon as it is available: closing stock prices are usually available in the databases by 8 PM on the day of closing. Dow Jones contains real time stock prices, that is 15 minutes after trade!

Thorne Ernst & Whinney has developed a number of automated routines which will permit the XYZ Company to retrieve such pricing information on a daily basis easily and efficiently.

Example 4: CANADIAN FINANCIAL STATEMENT DATABASE

Thornet can assist with year end financial reporting

XYZ Company has several top-notch accounting staff who are required to keep abreast of all the changes emerging with respect to generally accepted accounting principles. The Canadian Financial Statement Database can assist with this requirement by providing information on publicly issued financial statements of Canadian Corporations.

Example 5 : CANADIAN FINANCIAL STATEMENT DATABASE

Access to Historical financial data

XYZ Company has expressed an interest in the ability to access public financial information and ratios on an industry basis. The Canadian Financial Statement Database, available on Thornet, includes such information and can be used to obtain industry statistics or key indicators for public companies within an industry.

5. A NEED FOR PROFESSIONAL SERVICES

The Professional Services Centre on the Thornet MAIN MENU can be a potential selling point to some clients. These would more typically be those clients who do not live in major centres where they have easy access to a Thorne Ernst & Whinney professional for advice or help.

The Professional Services Centre will enable us to provide additional services and stay closer to existing clients in outlying areas and enable us to create a presence in areas in which we have not been able to do so to this point.

XYZ Company requires closer support from its accountants

XYZ Company has identified a need to maintain closer contacts with its auditors. Thornet can assist in this in the following manner:

- Thornet Messaging is available for day to day informal communications that may happen between the company and his auditor. This will save the long distance telephone costs currently incurred.

- The Professional Services Centre is available on Thornet to enable XYZ Company to request help in specific areas such as tax, accounting or microcomputers. Requests that involve a quick and direct answer will be dealt with immediately. Requests involving research will be dealt with as soon as possible and will incur our usual hourly rate. No work of this nature will be started without the prior approval of XYZ Company.

- The Professional Services Centre also contains the Thorne Ernst & Whinney Software Resource Library. This library can be accessed by any user of Thornet to retrieve Lotus templates, public utility programs and, where applicable, software updates. Note that you have to use Thornet Connection to take advantage of this feature.